

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 27, 2010

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, July 27, 2010.

Mayor Warmington opened the meeting with a prayer from Pastor Duane Bennett after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Sue Wierengo, Steve Wisneski, Chris Carter, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

Absent: Commissioner Clara Shepherd (excused)

2010-65 HONORS AND AWARDS:

A. Presentation of Sign – Rev. George M. Bennett Blvd.

Mayor Warmington presented Pastor Duane E. Bennett the official sign which will be placed above the First Street sign in honor of his father Pastor George M. Bennett who was a leader in our community.

2010-66 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the July 12th Commission Worksession Meeting and the July 13th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. City of Muskegon Operations Management Contract: Smith Ryerson Community Center, Pastor Gregory M. Kirksey Picnic Shelter and Smith Ryerson Park Grounds. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Muskegon Recreational Center (MRC), Inc. has

been managing the Smith Ryerson Community Center since July 2006. The management has been successful, with many area youth (as well as others in the community) being served. As the current Contract between MRC and the City concluded July 1, 2010, it is recommended that a new two-year contract be approved. The new Contract also includes maintenance and operation of the newly constructed picnic shelter and maintenance of the park grounds. MRC will also begin contributing 25% of their revenue towards utility costs.

FINANCIAL IMPACT: The Contract specifies that the Manager will receive its management fee through the revenue generated at the Center.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Contract and authorize the Director of Community & Economic Development and the City Clerk signatures.

C. Rezoning Request for a Portion of the Property Located at 721 E. Laketon Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone a portion of the property at 721 E. Laketon Ave. from R-1, Single Family Residential district to B-4, General Business district, by Micheal David. This would make the entire parcel zoned B-4, General Business District.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their July 15th meeting.

(Requires second reading).

D. CDARS Investment Alternative. FINANCE

SUMMARY OF REQUEST: With interest rates at historic low levels, it is getting quite difficult to find safe, short-term investments that produce an appreciable yield for idle city cash. Bank CD's are one option, but investments over \$250,000 are not covered by FDIC insurance. CDARS is a program that allows institutional investors to invest larger amounts through one bank and receive FDIC insurance on the full amount. The program works by breaking larger dollar investments into smaller insurable pieces that are invested throughout the CDARS network. State investment laws were amended in 2009 to permit governments to utilize CDARS.

Financial institutions participating in CDARS are mostly community banks. Our local community banks have participated in CDARS but are not aggressively seeking CDARS deposits at this time. The most aggressive CDARS bank in Michigan is Flagstar bank (Troy, MI).

FINANCIAL IMPACT: The CDARS program offers a safe, insured option to enhance interest earnings on City funds.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize staff to execute documents necessary for the City to participate in the CDARS program. The City attorney has reviewed the documents for compliance with state law.

E. Liquor License Request for Harbour Towne Yacht Club, 3425 Fulton Street. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Harbour Towne Yacht Club for a New Outdoor Service (2 Areas) and decrease the size of the existing Outdoor Service (1 Area) to be held in conjunction with 2010 Club & SDM Licensed Business with Outdoor Service (1 Area) and Dance Permit located at 3425 Fulton Street, Muskegon, MI 49441.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

G. Approval of Contractor for Construction of House at 1543 Hoyt. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Mossy Oak Builders, 123 N. 8th, Fruitport, for the construction of the new home to be located at 1543 Hoyt for the cost of \$89,300.

This new construction is being financed with Neighborhood Stabilization funds from the Michigan State Housing Development Authority. After the new construction is completed, the home will be marketed to any eligible owner occupied homebuyer with a household income less than 120 percent of the area median income. The City obtained the original house at 1543 Hoyt with Neighborhood Stabilization Program funds. The City received nine bids.

FINANCIAL IMPACT: The funding for the project will be taken from the Neighborhood Stabilization Program funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve for the Community and Neighborhood Services office to develop a contract with Mossy Oak Builders and direct the Mayor and Clerk to sign the contract. This is contingent upon CNS receiving the additional NSP grant funding.

COMMITTEE RECOMMENDATION: None needed, the Citizen's District Council is aware of the Neighborhood Stabilization Program.

H. Farmers Market ADA Restroom Renovations. PUBLIC WORKS

SUMMARY OF REQUEST: To approve a proposal from Clifford Buck Construction to renovate the Farmers Market restrooms to make them ADA compliant for the price quoted of \$21,743 and to authorize staff to enter into a contractual agreement.

FINANCIAL IMPACT: Project expenditures of \$17,897 would come from the Farmer's Market Improvement Fund and \$3,846 would come from the 2011 Farmer's Market Operating Budget.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proposal from Clifford Buck Construction.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the Consent Agenda as read minus item F.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, and Spataro

Nays: None

MOTION PASSES

2010-67 ITEM REMOVED FROM THE CONSENT AGENDA:

**F. Resolution Revoking the IFT Certificate for Northern Machine Tool.
PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, the City of Muskegon requests that the Industrial Facilities Exemption Certificate issued to Northern Machine Tool, Certificate #2004-570, be revoked due to failure to make the proposed investment. The business proposed to invest \$450,000 in real property and \$250,000 in personal property. However, the project never commenced and the investments were never made.

FINANCIAL IMPACT: The company will no longer receive the benefits associated with the certificate.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve and authorize the Mayor and Clerk to sign the resolution revoking IFT Certificate #2004-570.

Motion by Commissioner Carter, second by Commissioner Wisneski to approve the resolution revoking the IFT Certificate for Northern Machine Tool.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Spataro, and Warmington

Nays: None

MOTION PASSES

2010-68 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – AFI Machining. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, AFI Machining, 1920 Port City Blvd., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be \$335,023 in personal property and will create two new jobs. This qualifies them for a tax abatement of six years.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of six years for personal property.

The Public Hearing opened to hear and consider any comments from the public.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to close the Public Hearing and approve the request for an Industrial Facilities Exemption Certificate for AFI Machining as described.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

2010-69 NEW BUSINESS:

A. Ice Mountain Grant – Ryerson Creek Culvert Replacement. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The current tube culvert under Seaway Drive is failing. The City has the opportunity to coordinate with the West Michigan Shoreline Development Commission (WMSRDC) to replace the culvert in an environmentally sensitive way, by providing a fish-passage friendly box culvert (as opposed to the current tube that goes underground), as well as provide additional wetland habitat improvements. The project will "daylight" the stream between Yuba and Seaway Drive, and restore storm water detention and water quality and habitat functions.

FINANCIAL IMPACT: The total project amount (including construction and engineering costs, as well as habitat restoration) is \$516,181. WMSRDC will provide \$436,930 through the NOAA Great Lakes Habitat Agreement grant

funds. The City will provide up to \$40,000 in matching funds, the Ice Mountain Grant request is for \$30,000 and the remaining funds will be sought through other grant sources.

BUDGET ACTION REQUIRED: In the 2011-12 City budget, up to \$40,000 will be designated through "street funds" for matching funds for the project.

STAFF RECOMMENDATION: To approve submittal of the Ice Mountain Grant in the amount of \$30,000 for the Ryerson Creek Culvert Replacement and authorize the Mayor and Clerk to sign documents necessary for the grant submittal and acceptance, if the grant is approved.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the submittal of the Ice Mountain Grant for the Ryerson Creek culvert replacement.

ROLL VOTE: Ayes: Carter, Gawron, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

B. Building Healthy Communities Grant – Lighting in Clara Shepherd Park.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The County of Muskegon obtained a Building Healthy Communities Grant for the Nelson Neighborhood in 2008-09. The grant included two community gardens, improvements to St. Joes Park and lighting in Clara Shepherd Park. The County partnered with the City to complete the improvements to the Park. On August 3, 2009, the City Commission approved paying for the future electrical costs associated with the new lighting. At that time, it was expected that the grant would cover all costs for installation. The Commission approved the contract for lighting installation to West Shore Electric on September 15, 2009, in the amount of \$9,740. However, due to weather conditions and some vandalism on site, the work was not completed until late in the year and the City did not receive an invoice until January 2010. The reimbursement request was submitted to the County in February. Meanwhile, the County had reallocated some of the remaining grant funds at the end of 2009, prior to the City's submittal for reimbursement (unbeknownst to the City). They did not leave enough to cover the entire City expenses of \$9,740. The City only received \$4,920.95, leaving \$4,819.05 which was not covered by grant funds. I have since had several discussions with County staff and I believe the most practical step to take is to split the outstanding balance between both of us (\$2,409.53).

FINANCIAL IMPACT: The City will pay \$2,409.53 from the General Fund (Parks Maintenance) towards the new lighting in Clara Shepherd Park.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to pay \$2,409.53 from the City's General Fund towards the lights in Clara Shepherd Park and accept \$2,409.53 from the County for the lights in Clara Shepherd Park.

Motion by Commissioner Carter, second by Commissioner Wierengo to authorize staff to pay \$2,409.53 from the City's General Fund towards the lights in Clara Shepherd Park and accept \$2,409.53 from the County.

ROLL VOTE: Ayes: Gawron, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

C. Approval of Contractor for Lead Abatement and Rehabilitation of CNS Homes. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the following rehabilitation contracts:

Murphy Bros, 84 N. Bock, Muskegon, for the lead abatement of 605 Jackson in the amount of \$9,200

Murphy Bros, 84 N. Bock, Muskegon, for the rehabilitation of 1080 E. Laketon in the amount of \$34,350

Gray Space, 601 Amity, Muskegon, for the rehabilitation of 2265 Lincoln in the amount of \$50,620

Statewide Abatement, 1720 Creston, Muskegon, for the rehabilitation of 1891 Wood in the amount of \$72,000

We are not accepting the bids we received for 1644 Division, 1500 Leahy and 1733 Manz and will rebid these projects.

The lead abatement and rehabilitation is being financed with Neighborhood Stabilization funds from the Michigan State Housing Development Authority. After the total rehabilitation is completed, the houses will be marketed to any eligible owner-occupied homebuyer with a household income less than 120 percent of the area median income.

The City received additional bids. In some instances, the lowest bid is not being recommended based on the amount of knowledge and experience required for some projects.

FINANCIAL IMPACT: The funding for the project will be taken from the money awarded to the City of Muskegon through the Neighborhood Stabilization Program.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve for the Community and Neighborhood Services office to develop a contract with these contractors and direct the

Mayor and Clerk to sign the contract. This is contingent upon CNS receiving the additional NSP grant funding.

COMMITTEE RECOMMENDATION: None required, the Citizen's District Council is aware of the next phase of rehabs under the Neighborhood Stabilization Program.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the contractors for lead abatement and rehabilitation of CNS homes.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

D. City Charter Amendments – Tax Levy. CITY MANAGER

SUMMARY OF REQUEST: To consider resolutions to place City Charter amendments to limit the ad valorem tax levy to 10 mills and to authorize an additional tax levy of 1.0 mills to finance street construction, repairs, and maintenance.

FINANCIAL IMPACT: The amendments will provide additional funding for city streets.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Commissioner Carter, second by Commissioner Wierengo to approve the City Charter Amendments as presented.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:45 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk